

## 'HC order could turn mills sick'

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**S**BI also said the HC order for disposal of sugar stock could potentially turn sugar mills sick as it would proceed under the coercive Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act to sell the mills' assets to recover its dues.

It also said no bank would come forward to grant any advance/loan to these sugar mills in case it was held that first charge on sugar stock would be in favour of cane growers and not banks, as held by the HC.

"In view of the suicides among farmers, let us put a quietus to this," the bench observed before dismissing SBI's appeal. Similar considerations had weighed with the court in dismissing the appeals filed by four public sector insurance companies on settlement of claims filed by Jammu and Kashmir flood victims.

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## Cane panel may reject formula to lower SAP

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**Lucknow:** In what could trigger a fresh faceoff between private sugar millers and the Akhilesh Yadav government, a high level committee headed by UP chief secretary is mulling to reject the cane price linkage formula that could potentially lower the state advisory price (SAP) for the next cane crushing season. SAP is the minimum price millers are supposed to pay to cane farmers.

Sources said the panel has decided to take a fresh look at the Rangarajan committee recommendation that suggests linking cane prices with sugar prices. "Rangarajan committee only takes into account the price of sugar but not the cost of sugarcane production. It considers sale of molasses and bagasse but not alcohol production and power generation by cane mills. In simple terms, profitability of sugar industries is not taken into account. That is what the committee will take into account while deciding the SAP," a senior official associated with the committee told TOI.

Principal secretary cane development Rahul Bhatnagar, when contacted, confirmed that various factors

will be taken into consideration while deciding SAP for next crushing season. "It will be decided by the high level committee soon," he told TOI.

A senior government functionary did not rule out possibility of SAP exceeding last year's Rs 280 per quintal. "The cost of sugarcane production has risen. Issues related to farmers will have to be kept in mind while deciding the SAP, though the interests of the industries will also be looked upon," the official said.

The fresh stance of the state government may ruffle feathers of private millers which dominate the sugar industry of Uttar Pradesh - out of 123 mills, 95 are in private sector. A majority of private millers have already refused to go ahead with maintenance of the mills ahead of crushing season until the state government comes up with a formula that falls in line with what millers have been demanding—linking cane price with that of sugar. Millers claim sugar prices have been dropping making things difficult for the industry.

"We are also accountable for our shareholders and the banks which lend us loan," said a miller.

